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in recent years, when compared with the period before 1877. Seventy changes of schedule rates are noted in the decade beginning with 1867, fifteen in the next ten years, and seven since 1887.

Tables 130 to 133, giving the rate per ton per mile, the number of ton miles, the aggregate tonnage, and the gross earnings from freight traffic on more than forty of the important railways for the past forty years, are, perhaps, the most valuable as they are certainly the most conclusive part of the work. That is, they are what they purport to be, while not even the compiler of the rate tables would claim that the latter are more than an indication of actual rate changes, although made up from the best available data.

The thanks of all students of railway problems are due Mr. McCain and his co-laborers for the collection and tabulation of this vast amount of material.

WILLIAM HILL.

#### RUSSIA IN THE INTERNATIONAL MARKET.<sup>1</sup>

THE publications of the Statistical Bureau of the Russian Customs Department are a valuable source of information on Russia's international commercial relations, due allowance being made for inaccuracy of the figures derived from the declarations of the importers and the appraisements made by the custom house officials. As the reports are merely a collection of statistical tables, it might have been wise, as has been suggested by the Russian press, to have the headings read both in Russian and French, in order to make the data accessible to an international public. Such, however, not being the case, we shall briefly sum up for the benefit of the English speaking public the most important statements of the reports.

For over a quarter of a century the Russian export trade has been the pet child of the Russian financial administration, and it must be admitted that the Government has been quite successful in securing what is known as "a favorable balance of trade." The figures for the year 1892 read as follows:

	Rubles.
Exports - - - - -	721,613,570
Imports - - - - -	379,342,097
Excess of exports over imports - - -	342,271,473

<sup>1</sup> *Aperçu du commerce extérieur de la Russie par les frontières d'Europe et d'Asie en 1891.* (In Russian.)

*Russie. Commerce extérieur par la frontière d'Europe.* 1892. (In Russian.)

The Russian high tariff man might look with satisfaction upon this evidence of the growing prosperity of his country. It is, however, essential to know what this surplus of exports consists of. The value of the excess<sup>1</sup> of food products exported was 345,957,406 rubles. The total export of cereals was 354,341,121 rubles.

It appears that the export of food products, and more particularly the export of cereals, is the only great factor in the excess of exports over imports. Let us now glance at the other side of the balance sheet :

	Rubles.
Interest paid on the public debt* - - - -	225,124,000
Gold and silver imported (in coin and bullion) <sup>3</sup>	82,875,891
Total - - - - -	307,999,891

This leaves a balance of 34,271,582 rubles to make up the total 342,271,473 rubles, the surplus of exports.

As all the items are computed in paper currency, while gold and silver are entered at their face value, the balance, 34,271,582 rubles, must obviously correspond to the premium on imported specie.<sup>4</sup> We see then that nearly the whole excess of exports goes to pay interest on the public debt. As this excess is made up almost entirely of cereals, it is well to remember in this connection that it was precisely the year of the terrible Russian famine that closed with so large an export of grain. Large exports can thus hardly be construed to mean that Russia is the granary of the world. On the contrary, it is evidence that Russia sends away not the surplus of her production of cereals, but the very sustenance of her people, as was disclosed years ago in the Russian press.<sup>5</sup> The surplus derived from the export of grains is, therefore, in great part the tribute paid by the ruined Russian peasant to the foreign creditor of the Russian Imperial Treasury.

The export of cereals amounts to nearly one-half of the total of Russian exports (354,341,121 rubles out of 721,613,570—49 per

<sup>1</sup> The excess of other exports is too small materially to influence the conclusions suggested by the table.

<sup>2</sup> Cf. *Vestnik Finansov, Promyshlennosti i Torgovli*, 1892. (The Herald of Finance, Trade and Commerce, official weekly publication of the Ministry of Finance).

<sup>3</sup> Of this sum, customs duties collected in gold amounted to 79,432,678 rubles.

<sup>4</sup> Gold is generally about 60 per cent. above par in Russia; on 79,432,678 rubles customs duties paid in gold, Russia would receive a premium of about 40,000,000 rubles.

<sup>5</sup> Cf. a paper in the *Otechestrenniya Zapiski* (Annals of the Fatherland), 1881, "Surplus of cereals and the sustenance of the people."

cent.). In the following table we have the comparative figures of exports and imports classified in four groups :<sup>1</sup>

Classes of goods.	Exports (rubles).	Imports (rubles).
Food products { Cereals	354,341,121 }	77,679,850
{ Other	69,296,135 }	
Animals	16,719,632	1,606,788
Raw materials	248,414,133	221,202,546
Manufactures	32,168,128	78,788,790
Total - - - -	721,613,570	379,342,097
Total exports exclusive of grain	367,272,449	

Aside from the export of grain, which has already been discussed, the several items of exports and imports nearly cover each other, and Russia may be said to exchange her goods on equal terms in the international market.

Raw materials and food products still remain by far the most important items in Russia's export. But capitalism is steadily making headway in these branches, as evidenced by the recent growth of the sugar and the naphtha industries :

Exports.	Rubles.
Sugar - - - - -	36,297,284
Naphtha and its products - - - - -	30,541,590

On the other hand, Russia has ceased to be dependent on the foreign market for manufactured articles. The import of raw material to be manufactured in Russia falls short of the export of raw materials by not more than 11 per cent., and is nearly three-fold the import of manufactured goods ; of these 41 per cent. (32,436,659 rubles out of a total of 78,788,798), was made up of machinery to be used in Russian factories.

Two characteristic features of the Russian economic situation are brought out by these facts :

1. Owing largely to her protective policy, Russia has developed an extensive home industry.
2. The products of her manufactures are intended primarily for the home market.

The aggregate value of manufactures exported amounts to about

<sup>1</sup> The figures of the table are copied without alteration from the reports of the Statistical Bureau, both for items and totals. They show a discrepancy of something less than one per cent., but as this is not sufficient to vitiate the figures for the purpose in hand, it may safely be neglected.

one-seventh of the import of raw material. There is also a considerable quantity of domestic raw material entering into manufactures. These figures do not seem to fall in line with the opinion, current among the Russian economists, that capitalism could take no root in Russia for want of foreign markets.

A closer examination of the figures relating to the several countries dealing with Russia in the international market, may shed more light on the subject. We shall consider these countries under two heads: (1) those whose imports from Russia exceed their exports to Russia, and (2) those whose exports to Russia exceed their imports from that country. Germany and Great Britain lead among the former, and France follows next; the latter class is composed of China, Persia and Central Asia, Egypt, the United States, and Brazil.

COUNTRIES.	Russia's Exports, Rubles.	Russia's Imports, Rubles.	Surplus, Rubles.
CLASS I.			
Germany - - - -	192,931,822	103,276,529	+ 89,655,293
Great Britain - - - -	179,905,098	83,059,805	+ 96,846,293
France - - - -	48,906,062	16,698,457	+ 32,207,605
Other countries - - - -	278,107,007	73,648,211	+ 204,458,796
CLASS II.			
China - - - -	4,798,177	28,866,203	- 24,068,026
Persia and Central Asia - -	14,286,467	15,707,352	- 1,420,885
Egypt - - - -	1,862,327	17,961,142	- 16,098,815
United States - - - -	815,345	39,715,289	- 38,899,944
Brazil - - - -	1,265	418,109	- 416,844
Total - - - -	721,613,570	379,342,097	+ 342,271,473

A classification of the goods exchanged is given in the following table, in which the excess of exports over imports, and *vice versa*, are compared:

COUNTRIES.	Food Products.	Raw Materials.	Animals.	Manufactures.
Germany - - - -	+ 66,973,898	+ 39,572,213	+ 10,600,646	- 27,482,464
Great Britain - - - -	+ 107,945,198	+ 47,632,878	+ 725,272	- 19,456,015
France - - - -	+ 25,111,360	+ 10,724,874	+ 944,126	- 4,572,755
China - - - -	- 26,078,035	+ 367,886	+ 131,054	+ 104,552
Persia and Central Asia - -	- 1,084,606	- 1,741,261	+ 8,884	+ 516,954
Egypt - - - -	+ 1,067,826	- 17,924,644	+ 255,227	+ 28,380
United States - - - -	- 55,366	- 38,602,977	- 50	- 241,551

It appears from these tables that those countries which show an excess of imports from over exports to Russia, viz., Germany, Great Britain, and France, are also her chief source of supply of manufactured articles; in return they receive food products (mostly cereals, as we have seen) and raw material. On the other hand, the United States and the Oriental countries supply Russia with food products and raw material, buying but very little of Russian manufactures in excess of what they sell to her.<sup>1</sup> We are here right at the focus of the vexed question of foreign markets for Russian capitalistic industry. It is generally maintained by Russian writers that the conquest of the Asiatic market is of vital importance to the "Destinies of Capitalism in Russia."<sup>2</sup> This theory, which underlies Russia's aggressive policy in the East, apparently mistakes the Moscow manufacturer, producing for the Oriental market, for the personification of Russian capitalism. Undoubtedly, so far as the export of Russian manufactures is concerned, the Oriental market plays a very conspicuous part, 46 per cent. of the exports classified by countries being directed to the Eastern markets.<sup>3</sup>

Still the Oriental countries do not appear to be in a position to purchase Russian goods without selling goods to Russia; in fact the entire export of Russian manufactures to the Orient is more than balanced by the surplus of imports from China or Egypt alone. Thus the Russian economist is brought back to the home consumer of Oriental

<sup>1</sup> It is interesting to notice that the total imports of manufactured articles from the United States to Russia amounts to no more than 241,551 rubles, or about \$125,000. No manufactured articles are exported from Russia to the United States.

<sup>2</sup> This is the title of a book by Mr. Vorontzov, who first advanced, and still maintains this theory.

<sup>3</sup> The data concerning the countries showing an excess of imports of Russian over exports of domestic manufactures to Russia are summarized in the table below. The exports to all countries are 32,168,128 rubles; the exports to the East are:

	Rubles.
Bulgaria	58,892
Greece	70,579
Roumania	678,016
Turkey	1,792,843
Persia and Central Asia	4,378,22
China	2,733,518
Egypt	43,425
Total	9,755,499

instead of domestic goods. Who is then the Russian consumer? Most of the Russian economists would unhesitatingly answer, the peasant. Inasmuch, further, as the economic level of the peasantry is steadily declining, the inference would be that Russian capitalism is undermining its own foundations. How little there is in these pessimistic predictions, is clearly shown by the comparison of the figures for 1891 and 1892; it was only in 1892 that the failure of the crops the previous year could have materially affected the state of trade :

## EXPORTS AND IMPORTS THROUGH THE EUROPEAN FRONTIER.

(In Thousands of Rubles.)

ARTICLES.	EXPORTS.				IMPORTS.			
	1891.	1892.	Increase or decrease.		1891.	1892.	Increase or Decrease.	
			Value.	Per c.			Value.	Per c.
Food products	413,539	199,199	-214,340	-52	56,579	55,401	-1,178	-2
Raw Materials	245,901	232,599	-13,302	-5	215,883	235,811	+19,928	+9
Manufactures	25,088	23,594	-1,494	-6	75,249	75,366	+117	+0.2
Animals - -	15,493	15,220	-273	-2	952	800	-152	-16
Total -----	700,021	470,612	-229,409	-32.8	348,663	367,378	+18,715	+5.4

Contrary to what might have been expected, the comparative returns are remarkable for their complete failure to record any noticeable variation whatever in the international trade, except the sudden contraction in the export of rye, which was occasioned by the prohibitory regulation of the Government. This fact seems to show that there are in Russia other consumers than the "peasant proprietor." In fact, apart from raw materials and machinery which are intended for productive consumption, the other consumable goods imported are mostly intended to satisfy wants of a higher order, as indicated by the following table :

	Rubles.
Coffee - - - - -	8,068,476
Cocoa - - - - -	841,232
Tea - - - - -	32,400,305
Tobacco and cigars - - - - -	2,151,349
Beverages - - - - -	9,461,673
Herrings - - - - -	6,771,593

The consumption of none of these articles was in any way affected by the famine of 1891-92.<sup>1</sup>

This fact proves that the millions of the Russian peasantry still count for very little as consumers in Russian international trade. The transformation of the peasant into a wage laborer, very far from being fatal to Russian capitalism, as the "peasantist" economist maintains, will virtually create a large body of consumers and prove a new inducement for the development of Russian industry.

ISAAC A. HOURWICH.

#### COMPARISON OF THE VOTES ON THE MCKINLEY AND WILSON BILLS.

AN analysis of the vote on the Wilson bill shows little of interest from a partisan standpoint save that party lines were effectively drawn. The Republicans voted solidly against it and the Democrats almost as solidly for it. The few Democrats who voted nay were influenced by the income tax feature rather than by the tariff provisions. New York furnished eight and Louisiana four of the eighteen Democratic votes against the bill. Pennsylvania, Louisiana and California each furnished one Democrat to oppose the measure on grounds other than the income tax.

The sectional analysis of the vote is perhaps more interesting than the division on party lines. The South was practically solid for the bill, only eight votes being cast against and one hundred for it. Of the eight negative votes, four came from Louisiana, one each from North Carolina, South Carolina, Tennessee and Kentucky. This is seven votes less than the South gave for the McKinley Bill, while the vote in the South against the McKinley bill was only half as large as that cast for the present measure. But the number of members voting now is more than one hundred in excess of those recorded on the bill of 1890.

Without the South the majority against the bill would be twenty-seven; on the same basis, the majority for protection three years ago

<sup>1</sup> The imports of these articles through the European frontier in 1892 compared as follows with the imports in 1891 (in thousands of rubles) :

Articles.	1891	1892	Increase or decrease.
Coffee - - - -	5,230	5,859	+ 629
Cocoa - - - -	445	579	+ 134
Tea - - - -	15,364	16,554	+1,190
Tobacco and cigars -	2,464	2,111	- 353
Beverages - - -	9,293	8,158	- 1,135
Herrings - - - -	6,439	9,048	+2,609